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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Application Number: 09/600,509
Filing Date: July 17, 2000
Appellant(s): YODO, FUMITAKE

MAILED

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GROUP 3600

Jay H. Maioli
For Appellant

EXAMINER'S ANSWER

This Answer is in response to the Appeal Brief filed January 20, 2006 appealing from the Office

action mailed September 21, 2005.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The following are the related appeals, interferences, and judicial proceedings known to the examiner which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal:

09/923,702 is on Appeal to the Board. An Examiner's Answer was mailed on May 19, 2005.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,857,020	Peterson et. al.	1-1999
6,434,535	Kupka et al	8-2002
5,539,825	Akiyama et. al.	7-1996

White, Ron, How Computers Work, 4th Ed., Que Corporation, September 18, 1998.

(9) Grounds of Rejection

The following single ground of rejection are applicable to the appealed claims:

Claims 1, 4, 5, and 7 are rejected under 35 U.S.C. §103(a) as being unpatentable over

Peterson, Jr. (U.S. 5,857,020) ("Peterson '020") in view of Kupka et. al. (U.S. 6,434,535

B1)("Kupka"), Akiyama et. al. (U.S. 5,539,825)("Akiyama") and White's How Computer's

Work.

10) Response to Argument

1.   First and to be especially clear, it is the Examiner's factual determination that the

apparatus shown in Figure 3 in Peterson '020 is the claimed "terminal device" while 16 is the

"accounting center."

2.   Second, the Final Office Action (Paper No. 20050904) mailed September 12, 2005

expressly stated in paragraph nos. 5 to 10 on pages 2-5:

> Claims 1, 4, 5, and 7 are rejected under 35 U.S.C. §103(a) as being
> unpatentable over Peterson, Jr. (U.S. 5,857,020) ("Peterson '020") in view of
> Kupka et. al. (U.S. 6,434,535 B1)("Kupka"), Akiyama et. al. (U.S.
> 5,539,825)("Akiyama") and White's <u>How Computer's Work</u>. Peterson '020
> discloses a terminal with a first memory (memory storing 91), a second memory
> (memory storing 79), a first controller (94); a second controller (the digital-to-
> analog converter within 40); the controller reduces the accounting point
> information (from 91) stored in the first memory and updates the attributes of the
> received information from an unavailable state to an available state (decrypts the
> secured data making it available to the user); if the user has insufficient funds, the
> data is held in the unavailable state (inherent); the second controller transmits the
> remaining accounting point information (for an increase in funds) and the
> accounting point information is reset to an initial value (*e.g.* greater than or equal
> to $5) based upon the status of the account processing (payment was received)
> (inherent in the "automatic Online process" at column 9, lines 44-53); and a
> communicator (40). Peterson '020 is silent as to whether or not the accounting
> points in the user's card or elsewhere.
>   Akiyama directly discloses storing the accounting points on the user's
> card. Moreover, Kupka discloses a process where the user's accounting points are
> updated.
>   Therefore it would have been obvious to one having ordinary skill in the
> art at the time the invention was made to modify Peterson '020 as taught by
> Kupka and Akiyama to include the missing inherencies. For example, because
> Peterson '020 directly discloses "automatic Online process," at column 9, ~ line
> 53, one of ordinary skill in the would understand the accounting center must
> perform at least one "accounting process based upon the accounting point
> information transmitted from the terminal device." It is clear to those skilled in
> the art that if the user had only 16¢ left in his or her account, this amount is
> transmitted to the accounting center via the "automatic Online process" and added
> to any amount additionally purchased. It is also evident that the server would
> store the customer's records in a central location and not just at the terminal
> device. "The law is clear that patent documents need not include subject matter

that is known in the field of the invention and is in the prior art, for patents are written for persons experienced in the field of the invention. ... To hold otherwise would require every patent document to include a technical treatise for the unskilled reader." *S3 Inc. v. nVIDIA Corp.*, 259 F.3d 1364, 1371, 59 USPQ2d 1745, 1749-50 (Fed. Cir. 2001) citing *Vivid Technologies, Inc. v. American Science and Engineering, Inc.*, 200 F.3d 795, 804, 53 USPQ2d 1289, 1295 (Fed. Cir. 1999) ("patents are written by and for skilled artisans").[1]

In other words, if not inherent, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peterson '020 as taught by Kupka to directly include the replenishing process as shown in Kupka's Figure 8. Such a modification would have directly disclosed at least one automatic online process in Peterson '020 in order to add value to the user's card.

Additionally, if not inherent, it would have been obvious to one having ordinary skill in the art at the time the invention was made to further modify Peterson '020 as taught by Akiyama to include Akiyama's sending of the remaining value to the accounting center. Such a modification would have directly disclosed how the card keeps the accounting balance on the card.

Ron White's How Computers Work, is cited to show a modem that is old and well known in the art. See specifically How Computers Work, Chapter 27, pp 244-251.

As noted previously, functional recitations using the word "for," "adapted to," or other functional terms *(e.g.* see claim 1 which recites "adapted to store information . . . [and] adapted to update the accounting point information") have been considered but are given little patentable weight[2] because they fail to add any structural limitations and are thereby regarded as intended use language. To be clear, the Examiner has considered all limitations. However a recitation of the intended use in a product claim must result in a structural difference between the claimed product and the prior art in order to patentably distinguish the claimed product from the prior art. If the prior art structure is capable of performing the intended use, then it reads on the claimed limitation. *In re Casey*, 370 F.2d 576, 152 USPQ 235 (CCPA 1967) ("The manner or method in which such machine is to be utilized is not germane to the issue of patentability of the machine itself."); *In re Otto*, 136 USPQ 458, 459 (CCPA 1963). See also MPEP §§ 2114 and 2115. Unless expressly noted otherwise by the Examiner, the claim interpretation principles in this paragraph apply to all examined claims currently pending.

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[1] See also *In re Eltgroth*, 419 F.2d 918, 921, 164 USPQ 221, 223 (CCPA 1970) ("This court has often observed that minutiae of descriptions or procedures perfectly obvious to one of ordinary skill in the art yet unfamiliar to laymen need not be set forth.").

[2] See e.g. *In re Gulack*, 703 F.2d 1381, 217 USPQ 401, 404 (Fed. Cir. 1983)(stating that although all limitations must be considered, not all limitations are entitled to patentable weight.).

3.   Applicant argues that Peterson '020 does not disclose a second controller. The

Examiner respectfully disagrees since Peterson '020 directly discloses modem **40** in

Figure 1.

4.   The Examiner responded in the final office action by stating:

> Applicant argues that Peterson '020 fails to disclose a second controller. The
> Examiner respectfully disagrees. The modem used to connect to the "automatic
> Online process" is a second controller. For exemplary modem, see Chapter 27, pp
> 244-251 of Ron White's How Computers Work. Clearly a modem is "adapted to
> transmitted remaining accounting point information stored in the first memory to
> the accounting center. In other words, 'but for' the modem, the system in
> Peterson '020 would not be able to connect [or transmit] to the "automatic Online
> process."

5.   Applicant argues that the functional language "adapted to" transmit the remaining

account point information stored in the first memory to the accounting center" as claimed is not

disclosed. Regarding this functional language of "adapted to," the Federal Circuit noted in *In re*

Schreiber, 128 F.3d 1473, 1477, 44 USPQ2d 1429, 1432 (Fed. Cir. 1997):

> A patent applicant is free to recite features of an apparatus either structurally or
> functionally. See *In re Swinehart*, . . . 439 F.2d 210, 212, 169 USPQ 226, 228
> (CCPA 1971)("[T]here is nothing intrinsically wrong with [defining something
> by what it does rather than what it is] in drafting patent claims."). Yet, choosing
> to define an element functionally, *i.e.*, by what it does, carries with it a risk. As
> our predecessor court stated in *Swinehart*, 439 F.2d at 213, 169 USPQ at 228:
>> where the Patent Office has reason to believe that a functional
>> limitation asserted to be critical for establishing novelty in the
>> claimed subject matter may, in fact, be an inherent characteristic of
>> the prior art, it possesses the authority to require the applicant to
>> prove that the subject matter shown to be in the prior art does not
>> possess the characteristic relied on. See also *in re Hallman*, 655
>> F.2d 212, 215, 210 USPQ 609, 611 (CCPA 1981); *In re Ludtke*, . .
>> . 441 F.2d 660, 663-64, 169 USPQ 563, 565-67 (CCPA 1971).

6.   In this case, it is the Examiner's factual determination that modem **40** is clearly capable

of transmitting the remaining account point information stored in the first memory to the

accounting center. The feature is therefore inherent.

7.   Regarding Applicant's argument with respect to Akiyama, Akiyama discloses storing

account points on the card IC **42** in the "balance storage register" **18** and using a banking center

44 to update or add accounting points to the card. Moreover, during the replenishment phase,

Akiyama reads the balance on the IC card and sends the balance to the banking center. Akiyama

directly discloses in Figure 7 that IC card ledger file **54** is stored within IC card **42** and also

discloses how the IC card **42** transmits the remaining accounting balance to the bank center 44,

the balance is updated, and then sent back to IC card **42**. See Figure 7 and C12, L1+, and C13,

L14-31:

> Further, the IC card **42** reads the balance data stored in the IC card ledger file **54**.
> Then, the IC card **42** has the IC card CODEC **57** code the balance data stored in
> the IC card ledger file **54** by using the session key and sends the coded balance
> data via the ATM **44A** to the bank center **44**. The bank center **44** has the bank
> center CODEC **56** decode the coded balance data received from the IC card **42** via
> the ATM **44A** by using the session key and supplies the decoded balance data to
> the bank center ledger file **58**. The bank center **44** has the bank center ledger file
> **58** debit (or credit) the transfer amount **55** for a transfer-out (or a transfer-in).
> Then, the bank center **44** may send via the ATM **44A** to the IC card **44** the
> transfer amount **55** by coding it by using the session key, in which case the IC
> card **42** has the IC card CODEC **57** decode the transfer amount **55** being coded by
> using the session key and has the IC card ledger file **54** credit (or debit) the
> transfer amount **55**.

8.   Because Akiyama directly shows storing the accounting points in the user's card and

updating the accounting points via the automatic online process as noted above, Applicant's

arguments with respect to Akiyama are not persuasive. One of ordinary skill in the art would be

motivated to use Akiyama's process in Peterson '020 in order to help reduce fraud. By tracking

the balance in both places, an discrepancies between the two balances could be investigated for

fraud immediately. If the remaining balance was not initially uploaded to the authorization

center **16** in Peterson '020, the authorization center would not be able to track the user's balance

making the system more susceptible to fraud.

9.   Moreover, to the extent that the Examiner's interpretations are in dispute with Applicant'

interpretations, the Examiner hereby adopts the following definitions—under the broadest

reasonable interpretation standard—in all his claim interpretations.[3] Moreover, while the

following list is provided in accordance with *In re Morris*, the definitions are a guide to claim

terminology since claim terms must be interpreted in context of the surrounding claim language.[4]

Finally, the following list is not intended to be exhaustive in any way:

> ***Controller***: "A device on which other devices rely for access to a computer
> subsystem" Computer Dictionary, 3rd Edition, Microsoft Press, Redmond, WA,
> 1997.[5]

10.   In light of the definition above, the Examiner finds that a modem is a "controller."

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[3] While most definition(s) are cited because these terms are found in the claims, the Examiner
may have provided additional definition(s) to help interpret words, phrases, or concepts found in
the definitions themselves or in the prior art.

[4] See e.g. *Brookhill-Wilk 1 LLC v. Intuitive Surgical Inc.*, 334 F.3d 1294, 1300, 67 USPQ2d
1132, 1137 (Fed. Cir. 2003) (abstract dictionary definitions are not alone determinative; "resort
must always be made to the surrounding text of the claims in question").

[5] Based upon Applicant's disclosure, the art of record, and the knowledge of one of ordinary skill
in this art as determined by the factors discussed in MPEP §2141.03 (where practical), the
Examiner finds that the *Microsoft Press Computer Dictionary* is an appropriate technical
dictionary known to be used by one of ordinary skill in this art. See *e.g. Altiris Inc. v. Symantec
Corp.*, 318 F.3d 1363, 1373, 65 USPQ2d 1865, 1872 (Fed. Cir. 2003) where the Federal Circuit
used the *Microsoft Press Computer Dictionary* (3d ed.) as "a technical dictionary" to define the
term "flag." See also *In re Barr*, 444 F.2d 588, 170 USPQ 330 (CCPA 1971)(noting that its

11.   Applicant also argues on page 7 that if the Examiner's interpretation of "capable of" were true, all inventions being implemented in a general purpose computer would be unpatentable . . . ." In response, the Examiner respectfully asserts that there is a large difference between a general purpose computer that is *actually programmed* to perform a series of steps and a general purpose computer that is only "adapted to" performing the series of steps. The first is clearly patentable while the later need only be 'capable of.' The is the "risk" as noted above in *In re Schreiber*. If Applicant actual claimed 'a second controller included in the terminal device *transmitting* the remaining accounting point information,' Applicant's arguments would be persuasive because Applicant would have positively claimed the transmitting the remaining accounting point information.

12.   Applicant's remaining arguments ~~argue~~ seem to argue that certain features are not shown in a particular reference. Because the Examiner is not relying on that particular reference to show the feature as argued by Applicant, these arguments are not persuasive.

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appropriate to use technical dictionaries in order to ascertain the meaning of a term of art) and MPEP §2173.05(a) titled 'New Terminology.'

13.   (11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related

Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Andrew J. Fischer
Examiner, Art Unit 3627

Conferees:
Alexander Kalinowski,
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April 13, 2006
AJF